

AMENDMENTS TO LB935

Introduced by Government, Military and Veterans Affairs.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 13-513, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

5 13-513 (1) The auditor shall, on or before August ~~December~~ 1 each
6 year, request information from each governing body in a form prescribed
7 by the auditor regarding (1) trade names, corporate names, or other
8 business names under which the governing body operates and (2) agreements
9 to which the governing body is a party under the Interlocal Cooperation
10 Act and the Joint Public Agency Act. Each governing body shall provide
11 such information to the auditor on or before September 20 ~~December 31~~.

12 (2) Information requested pursuant to this section that is not
13 received by the auditor on or before September 20 shall be considered
14 delinquent. The auditor shall notify the political subdivision by
15 facsimile transmission, email, or first-class mail of such delinquency.
16 Beginning on the day that such notification is sent, the auditor may
17 assess the political subdivision a late fee of twenty dollars per day for
18 each calendar day the requested information remains delinquent. The total
19 late fee assessed to a political subdivision under this section shall not
20 exceed two thousand dollars per delinquency.

21 (3) The auditor shall remit to the Auditor of Public Accounts Cash
22 Fund a remedial fee not to exceed one hundred dollars from any late fee
23 received under this section. The auditor shall remit any late fee amount
24 in excess of one hundred dollars received under this section to the State
25 Treasurer to be distributed in accordance with Article VII, section 5, of
26 the Constitution of Nebraska.

27 (4) If a political subdivision fails to provide the information

1 requested under this section on or before September 20, the auditor may,
2 at his or her discretion, audit such political subdivision. The expense
3 of such audit shall be paid by the political subdivision.

4 Sec. 2. Section 73-506, Revised Statutes Cumulative Supplement,
5 2014, is amended to read:

6 73-506 State agency contracts for services shall be subject to the
7 following requirements:

8 (1) Payments shall be made when contractual deliverables are
9 received or in accordance with specific contractual terms and conditions;

10 (2) State agencies shall not enter into contracts for services with
11 an unspecified or unlimited duration, and no contract for services shall
12 be amended to extend the duration of the contract for a period of more
13 than fifty percent of the initial contract term. Following the adoption
14 of any amendment to extend the contract for a period of fifty percent or
15 less of the initial contract term, no further extensions of the original
16 contract shall be permitted. This subdivision does not prohibit the
17 exercise of any renewal option expressly provided in the original
18 contract;

19 (3) State agencies shall not structure contracts for services to
20 avoid any of the requirements of sections 73-501 to 73-510; and

21 (4) State agencies shall not enter into contracts for services in
22 excess of fifteen million dollars unless the state agency has complied
23 with section 73-510.

24 Sec. 3. Section 81-1118, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 81-1118 The materiel division of the Department of Administrative
27 Services is hereby established and shall be managed by the materiel
28 administrator.

29 There are hereby established the following seven branches of the
30 materiel division of the Department of Administrative Services which
31 shall have the following duties, powers, and responsibilities:

1 (1) The office supplies bureau shall be responsible for providing
2 office supplies, paper, and forms to using agencies;

3 (2) Central mail shall be responsible for all mailing operations,
4 transportation of material, tracking shipments, and making freight
5 claims;

6 (3) The print shop shall be responsible for specifications and for
7 receiving bids and placing orders to the lowest and best commercial
8 bidder for all printing and reproduction operations for the state. The
9 print shop shall also be responsible for coordinating all existing
10 printing and reproduction operations of the state;

11 (4) Copy services shall be responsible for the purchasing and
12 placement of all copier requirements;

13 (5) The state purchasing bureau shall be responsible for all
14 purchases by all state agencies other than the University of Nebraska.
15 The materiel division shall administer the public notice and bidding
16 procedures and any other areas designated by the Director of
17 Administrative Services to carry out the lease or purchase of personal
18 property. All purchases of and contracts for materials, supplies, or
19 equipment and all leases of personal property shall be made in the
20 following manner except in emergencies approved by the Governor:

21 (a) By a competitive formal sealed bidding process through the
22 materiel division in all cases in which the purchases are of estimated
23 value in the amount of twenty-five thousand dollars or more;

24 (b) By a competitive informal bidding through the materiel division
25 in all cases in which the purchases are of estimated value equal to or
26 exceeding ten thousand dollars but less than twenty-five thousand
27 dollars;

28 (c) By unrestricted open market purchases through the materiel
29 division in all cases in which purchases are of estimated value of less
30 than ten thousand dollars;

31 (d) All requisitions for whatever purpose coming to the state

1 purchasing bureau shall be in conformance with the approved budget of the
2 requisitioning department or agency;~~and~~

3 (e) All contracts for purchases and leases shall be bid as a single
4 whole item. In no case shall contracts be divided or fractionated in
5 order to produce several contracts which are of an estimated value below
6 that required for competitive bidding; and

7 (f) No contract for purchase or lease shall be amended to extend the
8 duration of the contract for a period of more than fifty percent of the
9 initial contract term. Following the adoption of any amendment to extend
10 the contract for a period of fifty percent or less of the initial
11 contract term, no further extensions of the original contract shall be
12 permitted. This subdivision (f) does not prohibit the exercise of any
13 renewal option expressly provided in the original contract;

14 (6) The state recycling office shall be responsible for the
15 administration and operation of the State Government Recycling Management
16 Act; and

17 (7) State surplus property shall be responsible for the disposition
18 of the state's surplus property and the maintenance of all inventory
19 records.

20 Nothing in this section shall be construed to require that works of
21 art must be procured through the materiel division.

22 Sec. 4. Section 81-1174, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 81-1174 Whenever any state officer, state employee, or member of any
25 commission, council, committee, or board of the state is seeking
26 reimbursement for ~~actual~~ expenses incurred by him or her in the line of
27 duty, he or she shall be required to present a request for payment or
28 reimbursement to the Director of Administrative Services not later than
29 sixty days after the final day on which expenses were incurred for which
30 reimbursement is sought. Each request for reimbursement of meals, travel,
31 and lodging shall be made pursuant to the federal General Services

1 Administration per diem and mileage reimbursement rates and shall include
2 ~~shall be fully itemized, including~~ the amount, date, place, and essential
3 character of the expense incurred.

4 When reimbursement is requested for ~~mileage by~~ automobile, air
5 travel by commercial carrier, air travel in airplanes chartered by the
6 department or agency, or air travel by personally rented airplane, the
7 points between which such travel occurred, the times of arrival and
8 departure, and the necessity and purpose of such travel shall be stated
9 on such request. When reimbursement is requested for mileage by
10 automobile, ~~the motor vehicle license plate number,~~ the total miles
11 traveled, ~~and the rate per mile being requested~~ shall also be shown on
12 each request.

13 The Accounting Administrator may require less supporting detail for
14 requests covered in this section but shall not impose reporting
15 requirements which exceed those listed unless specifically authorized by
16 other provisions of law. No request shall be submitted by an individual
17 for an expense when such expense has been paid by the agency or
18 department concerned.

19 When reimbursement for expenses incurred in air travel by privately
20 owned airplane is requested, the cost of operating the airplane at rates
21 per mile as established by the Department of Administrative Services
22 shall be shown on such request. Travel by privately owned airplane or
23 personally rented airplane shall only be authorized when it is more
24 economical than surface transportation or will result in a substantial
25 savings of expense or productive time.

26 The statement of expenses shall be duly verified ~~and supported by~~
27 ~~receipts for all of such expenditures, except immaterial items identified~~
28 ~~by the director,~~ for which reimbursement is requested.

29 No reimbursement charge for mileage shall be allowed when such
30 mileage accrues while using an automobile owned by the State of Nebraska.

31 No personal maintenance expenses shall be allowed to any state

1 officer, state employee, or member of any commission, council, committee,
2 or board of the state when such expenses are incurred in the city or town
3 in which the residence or primary work location of such individual is
4 located, except that individuals required to attend official functions,
5 conferences, or hearings within such location, not to include normal day-
6 to-day operations of the department, agency, commission, council,
7 committee, or board, may be paid or reimbursed in accordance with
8 policies established by the Director of Administrative Services. The
9 approval to attend a function, conference, or hearing shall be obtained
10 from the director of the department, agency, commission, council,
11 committee, or board prior to an individual's attendance at such function,
12 conference, or hearing.

13 Nothing in this section shall be construed to prohibit the
14 furnishing of coffee, tea, and any similar beverage by the Legislature or
15 the Legislative Council to its employees or guests.

16 Sec. 5. Section 81-1175, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 81-1175 In examining the ~~vouchers, bills, and~~ requests for payment
19 or reimbursement as provided for in section 81-1174, no such ~~voucher,~~
20 ~~bill,~~ or request for travel expenses shall be approved unless written
21 authorization for the same has been given by the (1) director, deputy
22 director, or other titular head of the several state administrative
23 departments, (2) elective or appointive state officer, (3) chairperson of
24 a state commission, council, committee, or board, or (4) titular head or
25 proper disbursing officer of any other state expending agency, including
26 the University of Nebraska, state colleges, and state institutions,
27 before such traveling expenses are incurred, except that such prior
28 authority need not be obtained by peace officers of the State of
29 Nebraska.

30 Sec. 6. Section 81-1176, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 81-1176 (1) If a trip or trips included in a request for payment or
2 reimbursement filed under sections 81-1174 and 81-1175 are made by
3 personal automobile or otherwise, only one ~~mileage~~ request shall be
4 allowed for each mile actually and necessarily traveled in each calendar
5 month by the most direct route regardless of the fact that one or more
6 persons are transported in the same motor vehicle. Reimbursement on such
7 requests shall be computed based on the rate established by the federal
8 General Services Administration ~~Department of Administrative Services.~~
9 ~~The department may establish different rates based on whether the~~
10 ~~personal automobile usage is at the convenience of the agency involved or~~
11 ~~at the convenience of the state officer or employee, as previously agreed~~
12 ~~upon by the officer or employee and the agency involved.~~ Funds expended
13 for parking may be requested in addition to mileage.

14 (2) The payment of mileage shall be limited to the ~~actual~~ cost of
15 travel at the rates established in subsection (1) of this section or the
16 cost of commercial transportation, whichever is less. Savings of
17 productive time shall be taken into consideration when making the
18 comparison. No additional rate of mileage shall be allowed to state
19 inspectors or others who carry state equipment by motor vehicle
20 regardless of the weight thereof.

21 (3) Any future adjustments made to the reimbursement rate provided
22 in subsection (1) of this section shall be deemed to apply to all
23 provisions of law which refer to this section for the computation of
24 mileage.

25 Sec. 7. Section 81-1180, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 81-1180 Any member of any state commission, council, committee, or
28 board who is not entitled to reimbursement under the provisions of
29 section 81-1178 or 81-1179 shall be entitled to be reimbursed for his or
30 her ~~necessary and actual~~ expenses as provided in sections 81-1174 to
31 81-1177 if an appropriation is made for such purpose and if the

1 reimbursement is approved by the Governor or, in cases in which the
2 commission, council, committee, or board has been created to assist the
3 Legislature in the performance of its duties, by the Executive Board of
4 the Legislative Council.

5 Sec. 8. Section 81-1348, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 81-1348 There is hereby created the Suggestion Award Board. The
8 membership of such board shall consist of the Director of Personnel, the
9 Director of Administrative Services, the Auditor of Public Accounts or
10 his or her designee, and three persons, each to serve a term of three
11 years, selected and appointed by the Governor from the bargaining units
12 listed in section 81-1373, except that the first three appointments made
13 after February 23, 2000, shall be for terms of one year, two years, and
14 three years, as designated by the Governor. Of the persons selected from
15 such bargaining units, one person shall be selected from each of such
16 bargaining units as follows:

17 (1) The first term from the bargaining units listed in subdivisions
18 (1)(a), (b), and (1) of such section;

19 (2) The second term from the bargaining units listed in subdivisions
20 (1)(c), (d), and (g) of such section;

21 (3) The third term from the bargaining units listed in subdivisions
22 (1)(e), (f), and (h) of such section; and

23 (4) The fourth term from the bargaining units listed in subdivisions
24 (1)(i), (j), and (k) of such section.

25 After the fourth term, the appointments shall be made starting from
26 subdivision (1) of this section and following the same sequence.

27 Whenever a vacancy occurs on the board for any reason, the Governor
28 shall appoint an individual to fill such vacancy from the same bargaining
29 unit in which the vacancy exists.

30 The members shall be reimbursed for their actual and necessary
31 expenses as provided in sections 81-1174 to 81-1177.

1 The board shall adopt and promulgate rules and regulations to aid in
2 carrying out sections 81-1350 and 81-1351.

3 Sec. 9. Section 84-304, Revised Statutes Supplement, 2015, is
4 amended to read:

5 84-304 It shall be the duty of the Auditor of Public Accounts:

6 (1) To give information electronically to the Legislature, whenever
7 required, upon any subject relating to the fiscal affairs of the state or
8 with regard to any duty of his or her office;

9 (2) To furnish offices for himself or herself and all fuel, lights,
10 books, blanks, forms, paper, and stationery required for the proper
11 discharge of the duties of his or her office;

12 (3) To examine or cause to be examined, at such time as he or she
13 shall determine, books, accounts, vouchers, records, and expenditures of
14 all state officers, state bureaus, state boards, state commissioners, the
15 state library, societies and associations supported by the state, state
16 institutions, state colleges, and the University of Nebraska, except when
17 required to be performed by other officers or persons. Such examinations
18 shall be done in accordance with generally accepted government auditing
19 standards for financial audits and attestation engagements set forth in
20 Government Auditing Standards (2011 Revision), published by the
21 Comptroller General of the United States, Government Accountability
22 Office, and except as provided in subdivision (11) of this section,
23 subdivision (16) of section 50-1205, and section 84-322, shall not
24 include performance audits, whether conducted pursuant to attestation
25 engagements or performance audit standards as set forth in Government
26 Auditing Standards (2011 Revision), published by the Comptroller General
27 of the United States, Government Accountability Office;

28 (4)(a) To examine or cause to be examined, at the expense of the
29 political subdivision, when the Auditor of Public Accounts determines
30 such examination necessary or when requested by the political
31 subdivision, the books, accounts, vouchers, records, and expenditures of

1 any agricultural association formed under Chapter 2, article 20, any
2 county agricultural society, any joint airport authority formed under the
3 Joint Airport Authorities Act, any city or county airport authority, any
4 bridge commission created pursuant to section 39-868, any cemetery
5 district, any community redevelopment authority or limited community
6 redevelopment authority established under the Community Development Law,
7 any development district, any drainage district, any health district, any
8 local public health department as defined in section 71-1626, any
9 historical society, any hospital authority or district, any county
10 hospital, any housing agency as defined in section 71-1575, any
11 irrigation district, any county or municipal library, any community
12 mental health center, any railroad transportation safety district, any
13 rural water district, any township, Wyuka Cemetery, the Educational
14 Service Unit Coordinating Council, any entity created pursuant to the
15 Interlocal Cooperation Act, any educational service unit, any village,
16 any service contractor or subrecipient of state or federal funds, any
17 political subdivision with the authority to levy a property tax or a
18 toll, or any entity created pursuant to the Joint Public Agency Act.

19 For purposes of this subdivision, service contractor or subrecipient
20 means any nonprofit entity that expends state or federal funds to carry
21 out a state or federal program or function, but it does not include an
22 individual who is a direct beneficiary of such a program or function or a
23 licensed health care provider or facility receiving direct payment for
24 medical services provided for a specific individual.

25 (b) The Auditor of Public Accounts may waive the audit requirement
26 of subdivision (4)(a) of this section upon the submission by the
27 political subdivision of a written request in a form prescribed by the
28 auditor. The auditor shall notify the political subdivision in writing of
29 the approval or denial of the request for a waiver.

30 (c) The Auditor of Public Accounts may conduct audits under this
31 subdivision for purposes of sections 2-3228, 12-101, 13-2402, 14-567,

1 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,
2 23-3526, and 71-1631.02;

3 (5) To report promptly to the Governor and the appropriate standing
4 committee of the Legislature the fiscal condition shown by such
5 examinations conducted by the auditor, including any irregularities or
6 misconduct of officers or employees, any misappropriation or misuse of
7 public funds or property, and any improper system or method of
8 bookkeeping or condition of accounts. The report submitted to the
9 committee shall be submitted electronically. In addition, if, in the
10 normal course of conducting an audit in accordance with subdivision (3)
11 of this section, the auditor discovers any potential problems related to
12 the effectiveness, efficiency, or performance of state programs, he or
13 she shall immediately report them electronically to the Legislative
14 Performance Audit Committee which may investigate the issue further,
15 report it electronically to the appropriate standing committee of the
16 Legislature, or both;

17 (6)(a) To examine or cause to be examined the books, accounts,
18 vouchers, records, and expenditures of a fire protection district. The
19 expense of the examination shall be paid by the political subdivision.

20 (b) Whenever the expenditures of a fire protection district are one
21 hundred fifty thousand dollars or less per fiscal year, the fire
22 protection district shall be audited no more than once every five years
23 except as directed by the board of directors of the fire protection
24 district or unless the auditor receives a verifiable report from a third
25 party indicating any irregularities or misconduct of officers or
26 employees of the fire protection district, any misappropriation or misuse
27 of public funds or property, or any improper system or method of
28 bookkeeping or condition of accounts of the fire protection district. In
29 the absence of such a report, the auditor may waive the five-year audit
30 requirement upon the submission of a written request by the fire
31 protection district in a form prescribed by the auditor. The auditor

1 shall notify the fire protection district in writing of the approval or
2 denial of a request for waiver of the five-year audit requirement. Upon
3 approval of the request for waiver of the five-year audit requirement, a
4 new five-year audit period shall begin.

5 (c) Whenever the expenditures of a fire protection district exceed
6 one hundred fifty thousand dollars in a fiscal year, the auditor may
7 waive the audit requirement upon the submission of a written request by
8 the fire protection district in a form prescribed by the auditor. The
9 auditor shall notify the fire protection district in writing of the
10 approval or denial of a request for waiver. Upon approval of the request
11 for waiver, a new five-year audit period shall begin for the fire
12 protection district if its expenditures are one hundred fifty thousand
13 dollars or less per fiscal year in subsequent years;

14 (7) To appoint two or more assistant deputies (a) whose entire time
15 shall be devoted to the service of the state as directed by the auditor,
16 (b) who shall be certified public accountants with at least five years'
17 experience, (c) who shall be selected without regard to party affiliation
18 or to place of residence at the time of appointment, (d) who shall
19 promptly report ~~in duplicate~~ to the auditor the fiscal condition shown by
20 each examination, including any irregularities or misconduct of officers
21 or employees, any misappropriation or misuse of public funds or property,
22 and any improper system or method of bookkeeping or condition of
23 accounts, and it shall be the duty of the auditor to file promptly with
24 the Governor a duplicate of such report, and (e) who shall qualify by
25 taking an oath which shall be filed in the office of the Secretary of
26 State;

27 (8) To conduct audits and related activities for state agencies,
28 political subdivisions of this state, or grantees of federal funds
29 disbursed by a receiving agency on a contractual or other basis for
30 reimbursement to assure proper accounting by all such agencies, political
31 subdivisions, and grantees for funds appropriated by the Legislature and

1 federal funds disbursed by any receiving agency. The auditor may contract
2 with any political subdivision to perform the audit of such political
3 subdivision required by or provided for in section 23-1608 or 79-1229 or
4 this section and charge the political subdivision for conducting the
5 audit. The fees charged by the auditor for conducting audits on a
6 contractual basis shall be in an amount sufficient to pay the cost of the
7 audit. The fees remitted to the auditor for such audits and services
8 shall be deposited in the Auditor of Public Accounts Cash Fund;

9 (9) To conduct all audits and examinations in a timely manner and in
10 accordance with the standards for audits of governmental organizations,
11 programs, activities, and functions published by the Comptroller General
12 of the United States;

13 (10) To develop and maintain an annual budget and actual financial
14 information reporting system for political subdivisions that is
15 accessible online by the public;~~and~~

16 (11) When authorized, to conduct joint audits with the Legislative
17 Performance Audit Committee as described in section 50-1205; and -

18 (12) Unless otherwise specifically provided, to assess the interest
19 rate on delinquent payments of any fees for audits and services owing to
20 the Auditor of Public Accounts at a rate of fourteen percent per annum
21 from the date of billing unless paid within thirty days from the date of
22 billing. For an entity created pursuant to the Interlocal Cooperation Act
23 or the Joint Public Agency Act, any participating public agencies shall
24 be jointly and severally liable for the fees and interest owed if such
25 entity is defunct or unable to pay.

26 Sec. 10. Section 84-311, Revised Statutes Supplement, 2015, is
27 amended to read:

28 84-311 (1)(a) All final audit reports issued by the Auditor of
29 Public Accounts shall be maintained permanently as a public record in the
30 office of the Auditor of Public Accounts.

31 (b) Working papers and other audit files maintained by the Auditor

1 of Public Accounts are not public records and are exempt from sections
2 84-712 to 84-712.05. The information contained in working papers and
3 audit files prepared pursuant to a specific audit is not subject to
4 disclosure except to a county attorney or the Attorney General in
5 connection with an investigation made or action taken in the course of
6 the attorney's official duties or to the Legislative Performance Audit
7 Committee in the course of the committee's official duties and pursuant
8 to the requirements of subdivision (16) of section 50-1205 or subdivision
9 (5) of section 84-304.

10 (c) A public entity being audited and any federal agency that has
11 made a grant to such public entity shall also have access to the relevant
12 working papers and audit files, except that such access shall not include
13 information that would disclose or otherwise indicate the identity of any
14 individual who has confidentially provided the Auditor of Public Accounts
15 with allegations of wrongdoing regarding, or other information pertaining
16 to, the public entity being audited.

17 (d) The Auditor of Public Accounts may, at his or her discretion,
18 share working papers, other than personal information and telephone
19 records, with the Legislative Council. The Auditor of Public Accounts
20 may, at his or her discretion, share working papers with the Internal
21 Revenue Service, the Tax Commissioner, the Federal Bureau of
22 Investigation, a law enforcement agency as defined in section 28-359, and
23 the Nebraska Accountability and Disclosure Commission. The working papers
24 may be shared with such entities during an ongoing audit or after the
25 final audit report is issued.

26 (e) For purposes of this subsection, working papers means those
27 documents containing evidence to support the auditor's findings,
28 opinions, conclusions, and judgments and includes the collection of
29 evidence prepared or obtained by the auditor during the audit.

30 (f) The Auditor of Public Accounts may make the working papers
31 available for purposes of an external quality control review as required

1 by generally accepted government auditing standards. However, any reports
2 made from such external quality control review shall not make public any
3 information which would be considered confidential under this section
4 when in the possession of the Auditor of Public Accounts.

5 (2) If the Auditor of Public Accounts or any employee of the Auditor
6 of Public Accounts knowingly divulges or makes known in any manner not
7 permitted by law any record, document, or information, the disclosure of
8 which is restricted by law, he or she is subject to the same penalties
9 provided in section 84-712.09.

10 Sec. 11. Section 84-321, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 84-321 There is hereby created in the office of the Auditor of
13 Public Accounts a cash fund to be known as the Auditor of Public Accounts
14 Cash Fund. The fund shall be used for payment for services performed by
15 the Auditor of Public Accounts for state agencies, political
16 subdivisions, and grantees of federal funds disbursed by a receiving
17 agency for which he or she is entitled to reimbursement on a contractual
18 or other basis for such reimbursement. Any remedial fees withheld by the
19 State Treasurer pursuant to section 13-513 shall be credited to the fund.

20 Sec. 12. Original sections 81-1118, 81-1174, 81-1175, 81-1176,
21 81-1180, 81-1348, and 84-321, Reissue Revised Statutes of Nebraska,
22 sections 13-513 and 73-506, Revised Statutes Cumulative Supplement, 2014,
23 and sections 84-304 and 84-311, Revised Statutes Supplement, 2015, are
24 repealed.